

# State of South Dakota

NINETY-FIRST SESSION  
LEGISLATIVE ASSEMBLY, 2016

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## SENATE BILL NO. 132

Introduced by: The Committee on Appropriations at the request of the Office of the Governor

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding education funding.  
2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That § 13-13-1.4 be repealed.

4 ~~—13-13-1.4. If two or more school districts consolidate, for a period of four years after~~  
5 ~~consolidation, the small school adjustment for the newly formed district shall be calculated by~~  
6 ~~subtracting the sum of the average daily membership of the consolidating districts as they~~  
7 ~~existed prior to consolidation from the sum of the adjusted average daily membership of the~~  
8 ~~consolidated districts as they existed prior to consolidation, and dividing the difference by the~~  
9 ~~sum of the average daily membership of the consolidated districts as they existed prior to~~  
10 ~~consolidation. The resulting quotient is multiplied by \$4,237.72. Only school districts who have~~  
11 ~~not previously benefited from this section may be included in this calculation.~~

12 Section 2. That § 13-13-1.5 be repealed.

13 ~~—13-13-1.5. In years five to eight, inclusive, after the consolidation of two or more school~~  
14 ~~districts, the local need for the newly formed district shall be calculated as follows:~~

15 ~~—(1)—Calculate local need pursuant to § 13-13-73;~~



1 ~~— (2) — Notwithstanding the four-year time limit, calculate local need pursuant to § 13-13-~~  
2 ~~1.4;~~

3 ~~— (3) — Subtract the results of subdivision (1) from the results of subdivision (2);~~

4 ~~— (4) — Multiply the results of subdivision (3) by eighty percent in the fifth year, sixty~~  
5 ~~percent in the sixth year, forty percent in the seventh year, and twenty percent in the~~  
6 ~~eighth year;~~

7 ~~— (5) — Add the results of subdivision (1) and the results of subdivision (4).~~

8 Section 3. That § 13-13-1.6 be repealed.

9 ~~— 13-13-1.6. If two or more school districts consolidate, for a period of four years after~~  
10 ~~consolidation, the newly formed district may opt to have its state aid calculated based on the~~  
11 ~~school districts as they existed prior to consolidation. In years two to four, inclusive, after the~~  
12 ~~consolidation of two or more school districts, all factors relevant to the calculation of state aid~~  
13 ~~pursuant to chapter 13-13 of the former districts may be based upon a pro-rata share of the~~  
14 ~~relevant factors of the newly formed district as compared to the relevant factors of the former~~  
15 ~~districts in the first year. Any district that opts to benefit from this section shall notify the~~  
16 ~~secretary of the Department of Education of its intent to do so as part of its reorganization plan.~~  
17 ~~A district that benefits from this section may not benefit from § 13-13-10.1 or 13-13-1.5~~  
18 ~~simultaneously, or in future years.~~

19 Section 4. That § 13-13-1.7 be repealed.

20 ~~— 13-13-1.7. In years five to eight, inclusive, after the consolidation of two or more school~~  
21 ~~districts that opted to benefit from § 13-13-1.6, state aid shall be calculated as follows:~~

22 ~~— (1) — Calculate state aid pursuant to § 13-13-73;~~

23 ~~— (2) — Notwithstanding the four-year time limit, calculate state aid pursuant to § 13-13-1.6;~~

24 ~~— (3) — Subtract the results of subdivision (1) from the results of subdivision (2);~~

1 ~~— (4) — Multiply the results of subdivision (3) by eighty percent in the fifth year, sixty~~  
2 ~~percent in the sixth year, forty percent in the seventh year, and twenty percent in the~~  
3 ~~eighth year;~~

4 ~~— (5) — Add the results of subdivision (1) and the results of subdivision (4).~~

5 Section 5. That § 13-13-1.9 be repealed.

6 ~~— 13-13-1.9. The consolidation incentives provided for in §§ 13-13-1.4 to 13-13-1.7, inclusive,~~  
7 ~~apply only to those school districts whose consolidations are completed prior to July 1, 2007.~~

8 Section 6. That § 13-13-11.1 be amended to read:

9 13-13-11.1. ~~For the purpose of distributing state aid to education under the provisions of~~  
10 ~~§§ 13-13-10.1 to 13-13-41, inclusive, funds received from the federal government under the~~  
11 ~~provisions of Title VIII of the Elementary and Secondary Education Act for basic support shall~~  
12 ~~be included in total general fund revenue at the times the funds are transferred from the Title~~  
13 ~~VIII of the Elementary and Secondary Education Act fund to the school district funds. For the~~  
14 ~~purposes of distributing state aid to special education under the provisions of § 13-37-36.1,~~  
15 ~~funds received from the federal government under Title VIII of the Elementary and Secondary~~  
16 ~~Education Act funds add on for children with disabilities shall be deposited into the school~~  
17 ~~district special education fund.~~

18 Section 7. That § 13-13-17 be repealed.

19 ~~— 13-13-17. In order to be eligible to receive state aid to education funds as provided by this~~  
20 ~~chapter, a school district must have employed only properly qualified teachers holding valid~~  
21 ~~South Dakota teaching certificates qualifying such teachers to teach the subjects and grades to~~  
22 ~~which they were assigned during the previous school fiscal year.~~

23 Section 8. That § 13-13-88 be amended to read:

24 13-13-88. There is hereby created in the state treasury the workforce education fund to be

used for the following purposes:

- (1) To fund the limited English proficiency adjustment as referenced in § 13-13-89;
- (2) Provide grants for the purposes of providing secondary career and technical education programs; and
- (3) Provide ~~additional~~ one-time funding to ~~school districts~~ the Department of Education for one-time education enhancement programs.

Interest earned on money in the fund shall be deposited into the fund. Any money in the workforce education fund is continuously appropriated to the Department of Education for the purposes stated in this section and § 13-13-89. Any money deposited into and distributed from the fund shall be set forth in an informational budget as described in § 4-7-7.2.

Section 9. That § 13-13-89 be amended to read:

13-13-89. The secretary of the Department of Education shall authorize and disburse money from the workforce education fund to fund the state's share of the limited English proficiency adjustment as calculated by §§ 13-13-10.1 and 13-13-73 for state fiscal years 2014, 2015, and 2016. If, after the state's share of the limited English proficiency adjustment is funded, the workforce education fund exceeds two million dollars as of July first of each year, the amount of money in excess of one million dollars shall be disbursed as follows:

- (1) An amount not to exceed one million five hundred thousand dollars shall be distributed to fund new and existing secondary career and technical education programs; and
- (2) Any amount remaining in the fund over one million dollars after the distribution in subdivision (1) is made shall be allocated to ~~each school district in an amount equal to the money available for such distribution times the ratio of each school district's fall enrollment to the total state fall enrollment as defined in § 13-13-10.1~~ the

1           Department of Education for one-time education enhancement programs.

2           Section 10. That § 13-28-40 be amended to read:

3           13-28-40. An enrollment options program is established to enable any South Dakota  
4    kindergarten through twelfth grade student to attend any public school that serves the student's  
5    grade level in any South Dakota school district, subject to the provisions in §§ 13-28-40 to 13-  
6    28-47, inclusive. For purposes of determining state aid to education as it relates to the provisions  
7    of §§ 13-28-40 to 13-28-47, inclusive, fall enrollment as defined in § 13-13-10.1 is used to  
8    compute state aid to general education and special education ~~average daily membership~~ fall  
9    enrollment as defined in § 13-37-35.1 is used to determine funding for special education.